Information Technology (IT) Systems Appropriation
Definition for VHA

Purpose: To define IT and telecommunications purchases and services under Veterans Health Administration (VHA) operations that are to be charged to the central IT Systems appropriation or charged to one of the appropriate medical care appropriations.

The Congress established the IT Systems appropriation, to provide more direct control and more visibility over VA IT funding and management at the project level. The purpose of the new IT Systems appropriation is to focus on VA's IT investment in development and operations when they established the new IT appropriation. This account is a Department of Veterans Affairs (VA) central account for non-personnel, non-travel and non-training expenditures. To ensure that this new appropriation is used for the purposes intended by Congress, VA must establish a clear set of guidelines on the types of purchases and services that are included under the IT Systems appropriation.

VA has developed and will continue to develop a set of project level estimates (OMB Exhibit 300) that comprise the project level costs for both the IT Systems appropriation and the support appropriations (Medical Administration, and Medical Facilities); however, it has become apparent that the definitions of the types of non-pay costs captured in those exhibits are inconsistent from project to project and within projects by location. The purpose of this paper is to clearly and concisely define those costs for VHA.

Federal IT personnel costs, along with the travel and training for the IT staff, are to be charged to the Medical Administration or the Medical and Prosthetics Research appropriation as appropriate.

Transportation of items will not be considered IT and will be charged to the appropriate support appropriation.

Leasing of space will be charged to the Medical Facilities appropriation.

Telecommunications costs will be charged to the central IT Systems appropriation, including leasing of lines, networks, phones, service related contracts, cell and satellite phones PBXs, blackberry and palm charges, video conferencing equipment, WAN charges and related maintenance contracts and repair charges will be included. Costs for consumable supplies such a fax paper, toner and batteries will be charged to the appropriate operational appropriations.

Furniture costs will continue to be charged to the Medical Facilities.

Medical and other non-IT equipment [1] costs will continue to be charged to the Medical Service, Medical Facilities and Medical Administration appropriations as

appropriate. Today, many medical devices incorporate computers in the system design to process information necessary to produce, store or transmit medical images and other medical data. These devices are not budgeted as computer equipment and will continue to be budgeted as medical devices; therefore, they will not be included in the central IT Systems appropriation. Examples of these are x-ray, CT, MRI, ICU systems, drug dispensing machines, blood analyzers, lab equipment, dialysis, ultra sound, digital cameras and editing equipment etc. See attached spreadsheet that further details IT and Non-IT items.

Copier and fax machine costs will continue to be charged to the appropriate operational appropriation even if a copier is connected to a network and is sometimes used as a printer.

IT staff office supplies will be charged to the Medical Administration appropriation at this time.

Computer equipment costs will be charged to the central IT Systems appropriation. The definition of IT equipments is not simply IT because it has a central processing chip inside it and it is connected to the network. Certain medical equipment is exempt from being included as IT equipment and is discussed in the paragraph following this one.

This will include the following types of equipment that should be charged to the central IT systems appropriation:

- Hardware, [1] data cables, LANs and networks, [2] software, large digital storage devices, licensing costs, printers UPS systems if supporting computer equipment primarily.

- Cost of equipment that supports the electronic patient record and specifically VISTA Imaging.

- New and initial development work of medical systems will be classified as IT, upon roll out it will be classified as medical equipment. Recent examples of this would be Barcode Medication Administration (BCMA).

Medical equipment and other costs not charged to the central IT Systems appropriation. The following items will not be charged to the central IT Systems appropriation. They should be charged to the appropriated operational appropriation.

- The cost of medical equipment connected to the network. Including but not limited to: Picture Archiving and Communications Systems (PACS), Blood Bank Systems and BCMA among others will be classified as medical equipment.

- The cost of consumable supplies such as paper, batteries, CDs, DVDs, USB drives, and toner.

- The cost of specialized equipment for the purpose of updating operating status such as a soda vending machine for inventory control, parking control systems, building fire alarm systems, elevator systems or security cameras or keyless access locks etc.

- The cost of cabling for new construction or renovation construction if the project is not an IT replacement project i.e. the cost of cabling is incidental to the overall's projects costs.

- The cost of radio equipment and digital cameras.

- The cost of background investigations.

Software: All VA developed software costs will be considered IT (excluding personal and related costs.) Commercially purchased software used for purposes of direct patient care is non-IT. This includes acquisition, licensing and maintenance costs for this software. This software is non-IT even if it is not FDA regulated. It is non-IT even if it is runs on a standard PC or server. If the PC or server is dedicated to running non-IT clinical software, then the PC/server is also non-IT. If the PC/server is multi-function, then the software is non-IT but the PC/server is IT.

One VA Plus Fund and BuyIT.Gov: No 2006/07 IT Systems appropriations may be deposited into the One VA Plus Fund or the BuyIT.Gov Fund or similar time extending program. Prior year funds previously placed in the One VA Plus account or under the BuyIT.Gov program can continue to be used to support IT projects as originally envisioned.

Omnibus Reconciliation Act (OBRA) reimbursements for IT purchases will be included under the IT Systems appropriation**.**

Canteen purchases are not to be included in the IT Systems appropriation.

VA/DoD Joint Incentive Fund purchases are not to be included in the IT Systems appropriation.

General Post Fund purchases are not to be included in the IT Systems appropriation.

Compensated Work Therapy Program purchases that are exclusively supported by reimbursements from clients are not to be included in the IT Systems appropriation.

Supply Fund purchases are not to be included in the IT Systems appropriation.

Franchise Fund payments for Austin Automation Center (AAC) services by VA organizations are to be included in the IT Systems appropriation. The payments to other

Franchise Fund Services Enterprise Centers excluding e-Payroll and e-Travel: Financial Services Center**,** Debt Management Center, Law Enforcement Training Center, Security & Investigations Center, and VA Records Center & Vault are not to be included in the IT Systems appropriation. Finally, purchase of IT equipment by the Franchise Fund Enterprise Center Organizations for its own use are not to be included in the IT Systems appropriation.

1/ For the purpose of IT budget formulation and execution, information technology equipment is defined as the equipment necessary to operate and support routine daily information processing including the medical center information systems, clinical/administrative (VistA) and financial (IFCAP/FMS). This equipment includes desktop computers, laptop computers, printers, servers, etc., and communications equipment to include routers, switches, hubs, data cabling, etc.

There are systems not considered information technology for budget formulation and execution. These include systems that incorporate computers but are dedicated to the delivery of care or special purpose systems like Picture Archiving and Communications Systems (PACS), Nurse call systems, BCMA, dictation systems, Fire Alarm Systems, Security systems, Elevator control systems, ICU monitoring systems, and Cath Lab digital archiving systems, among others. However, generic use digital storage devices that store the elements of the electronic patient record will be classified as computer equipment.

Costs for developing a system with information technology resources, such as BCMA, will be charged to the central IT Systems appropriation as development costs. When the system becomes operational, the recurring costs are no longer considered information technology costs and will be charged to the appropriate operational appropriation.

2/ Cabling will be included in the central IT Systems appropriation unless it is associated with Major and Minor Construction, Non-Recurring Maintenance Projects and Station Level construction projects.